

NSC BRIEFING

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25 June 1957

LIBYA: BACKGROUND

- I. Libya is politically unstable and dependent upon foreign economic aid. It is currently aligned with the West, the source of its subsidies, but this alignment is contingent upon the continued good will of the 67-year-old King Idriss.
- A. The King's current preference for the West was supported by the recently resigned (May 24) prime minister, Mustafa Ben Halim. The new prime minister, Abdul Majid Kubaar, will probably follow same line.
- B. However, Libya becoming increasingly dependent on the US, as the UK cuts back its overseas commitments.
1. Britain has announced that it will withdraw its military forces from Libya.
 2. In 1958 it will reduce its annual subsidy from \$11.2 million to \$3.5 million.
- C. The King's relations with the US will probably be good as long as he is satisfied with US aid.
1. This now totals about \$27 million a year, including \$4 million for military base rights.
 2. Richards Mission made special grant of \$7 million.
- D. Concerted Egyptian efforts at subversion have been strongly opposed by the Libyan government.
1. More than 400 Egyptian school teachers in Libya available to spread Egyptian propaganda.
 2. Since change in prime ministers Egypt has a stepped-up press and radio attacks on Libya's prowestern slant.

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3. Should King die, still influential pro-Egyptian elements might take over.

E. Soviet efforts have had little success in Libya. Gov't has refused Soviet offers of money and material.

II. Libyan economy cannot function without outside aid.

A. More than 90% of country is desert, and less than half of one percent is under cultivation.

B. Industry and mineral resources negligible.

C. Only hope for earning foreign exchange is possibility that oil might be discovered in area near French explorations in Algeria.

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